

17 December 1984

NOTE TO: The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs

1. There has been a good deal of talk in recent months about the contrast between US opposition to the Sandinista regime and continued US trade with Nicaragua. In Central America itself, the Hondurans, among others, have focused on this. In this connection, the possibility of some sort of economic sanctions has been raised.

2. In the attached, we take a close look at Nicaragua's vulnerability to economic sanctions. I hope you will find this examination of the issue useful.

3. A list of the other addressees of this limited dissemination memorandum is also attached.

Robert M. Gates
Deputy Director for Intelligence

Attachments: As Stated

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